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General Assembly
Fifty-seventh session
Items 22 (h), 36, 89 and 163 of the preliminary list*

Security Council
Fifty-seventh year

Cooperation between the United Nations and regional and other organizations: cooperation between the United Nations and the Inter-Parliamentary Union

The situation in the Middle East

Environment and sustainable development

Measures to eliminate international terrorism

Letter dated 6 June 2002 from the Permanent Representative of Morocco to the United Nations addressed to the Secretary-General

I have the honour to attach herewith, with the consent of the Inter-Parliamentary Union, the text of the resolutions adopted at the 107th Conference of the Inter-Parliamentary Union, held in Marrakech, Morocco, from 17 to 23 March 2002 (see annex).

I should be grateful if you would have the text of this letter and its annexes distributed as documents of the General Assembly, under items 22 (h), 36, 89 and 163 of the preliminary list, and of the Security Council.

(*Signed*) Mohamed **Bennouna**
Ambassador
Permanent Representative

* A/57/50/Rev.1.

02-41794 (E) 250602 050702

Annex I

Terrorism - a threat to democracy, human rights and civil society: the contribution of Parliaments to combating international terrorism and addressing its causes in order to maintain international peace and security

Resolution adopted by consensus* by the 107th Conference (Marrakech, Morocco, 22 March 2002)

[Original: English, French and Spanish]

The 107th Inter-Parliamentary Conference,

Recalling that the Inter-Parliamentary Union, at its 95th Conference (April 1996), condemned international terrorism as a danger to the social and political stability of States, a threat to the global development of democratic structures, and an assault on the safety and individual freedoms of citizens, and called on all States to adopt appropriate measures to tackle terrorism and its social, political and economic causes,

Also recalling that to struggle for national liberation and independence from foreign occupation is a legitimate right laid down in international resolutions and that such an objective does not of itself constitute a terrorist act, but *stressing* that no struggle can justify indiscriminate attacks, particularly involving innocent civilians, or any form of organised State terrorism,

Reaffirming its resolution entitled "Contribution of the world's parliaments to the struggle against terrorism", adopted at the 105th Inter-Parliamentary Conference (April 2001), which condemned terrorist acts as unjustifiable in any circumstances, whatever the political, philosophical, ideological, racial, ethnic, religious or other considerations that may be invoked to justify them, and urged all parliaments to adopt measures to combat international terrorism in conformity with resolution 55/158 of the United Nations General Assembly,

Convinced that any acts of violence perpetrated by an individual, an organisation or a State against one or more countries, their institutions or people with the intention of intimidating them and gravely impairing, undermining or destroying fundamental freedoms, democracy, respect for human rights, civil rights and the rule of law in that or those countries, as well as any support given by States to such acts, must be condemned as terrorist acts,

Also convinced that international terrorism blatantly violates the values and principles enshrined in international humanitarian law and various United Nations conventions, in particular the Universal Declaration of Human Rights (resolution 217 A (III)

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* The delegation of Israel expressed a reservation to the reference in preambular paragraph 4 to the word 'State'. It also expressed a reservation to the reference, in operative paragraph 8, to "putting an end to occupation".

adopted by the United Nations General Assembly on 10 December 1948), which states that everyone has the right to life, liberty and security of person, and consistently reaffirmed by the Inter-Parliamentary Union,

Recalling United Nations Security Council resolution 1368 (2001) of 12 September 2001, which calls on all States to prevent and suppress terrorist attacks by means of increased cooperation and full implementation of the relevant international anti-terrorist conventions,

Endorsing United Nations Security Council resolution 1373 (2001) of 28 September 2001, which calls on all States to adopt anti-terrorist measures in the fields of finance, criminal law and information technology, and to refrain from providing active or passive support to terrorists or terrorist groups,

Recalling the International Convention for the Suppression of the Financing of Terrorism, adopted by the United Nations General Assembly on 9 December 1999, which requires all Contracting States to extradite persons implicated in the funding of terrorist activities and adopt measures to investigate suspicious financial transactions,

Noting with concern that the growing links between terrorism and organised crime, including illicit trafficking in drugs, arms and human beings, and money laundering constitute major obstacles to the fulfilment of the aspirations of civilisations to development, well-being, peace and security,

Reaffirming the need to combat the threat posed by international terrorism to world peace and international security by all means and in conformity with the United Nations Charter, the Universal Declaration of Human Rights, and the United Nations human rights covenants,

Recognising and *welcoming* the growing international cooperation in combating international terrorism,

Considering that condemnation of terrorism is inseparable from assistance to its victims,

Convinced that the world's parliaments and parliamentarians can make a major contribution, through international as well as national cooperation, to combating global terrorism and eliminating its root causes,

Conscious that terrorist acts are intended, not least, to shatter the structures and cohesion of civil society, which must respond to this assault on its values without forfeiting its openness, its humanity, or its attachment to human rights standards and individual rights and freedoms,

Recognising that a lack of democracy and respect for human rights and the refusal to resolve regional conflicts by peaceful means also play a major part in the emergence of terrorism,

1. *Calls on* all national parliaments which have not already done so to approve or to facilitate approval of the United Nations conventions on terrorism, and in particular the International Convention for the Suppression of the Financing of

Terrorism, which was adopted by the United Nations General Assembly on 9 December 1999; to introduce the necessary implementing measures speedily; and to press for the conclusion and adoption of the draft Convention for the suppression of acts of nuclear terrorism and the draft comprehensive Convention on the elimination of terrorism, which are currently before the UN General Assembly;

2. *Also calls on* all States and international organisations to consider providing technical and financial assistance to States that need it, in order to strengthen their capacity to adopt effective measures against terrorism and transnational organised crime, including illicit trafficking in drugs, arms and human beings, and money laundering;

3. *Urgently reiterates* its call to all the world's parliaments - referring in this context to the resolution entitled "Securing observance of the principles of international law in the interests of world peace and security" adopted by the 105th Inter-Parliamentary Conference (April 2001) - to ensure a consensus on the scope of the application of the conventions on terrorism;

4. *Urgently reiterates also* its call to all the world's parliaments to ensure ratification of the Rome Statute establishing the International Criminal Court and to recognise that international terrorists must be prosecuted and brought before a national or international court, for example, the International Criminal Court;

5. *Reaffirms* the principle, established by the United Nations General Assembly in its resolution of 24 October 1970 (2625) (XXV) and upheld by the Security Council in its resolution 1189 (1998), that every State has the duty to refrain from organising, instigating, abetting or participating in terrorist acts in another State, or acquiescing in organised activities within its territory directed towards the commission of such acts;

6. *Calls on* parliamentarians the world over, in conformity with United Nations Security Council resolution 1377 (2001) of 12 November 2001 on the global effort to combat terrorism, to play their part in fostering intercultural understanding, in settling regional conflicts, and in international cooperation on global and development policy issues, in order to tackle the root causes of terrorism on a broad and lasting basis;

7. *Expresses* the need for a more intensive inter-parliamentary exchange of information and experience in regard to the implementation of effective legislative measures, and *stresses* the supportive role played by the Inter-Parliamentary Union in the coordination of legislative initiatives to combat terrorism;

8. *Emphasises* the role of parliamentarians and civil society leaders worldwide in strengthening democracy, promoting human rights, supporting the peaceful settlement of regional conflicts and putting an end to occupation as the most effective means of combating terrorism;

9. *Calls on* parliaments to adopt legislative measures that allow for compensation of victims of terrorist acts, as an expression of national solidarity;

10. *Appeals* to the world's parliaments to increase their efforts to remove social injustice, alienation and extremism which are a breeding ground for terrorism, through development measures, attaching particular importance to civil society initiatives;

11. *Stresses* the importance of dialogue among civilisations to the prevention of terrorism, *emphasises* the role of civil society in this dialogue and *invites* parliamentarians, both men and women, to initiate measures to promote dialogue among and within civilisations and to encourage programmes for peace, focusing in particular on educational reform which fosters pluralism, tolerance and mutual understanding;

12. *Reiterates* that terrorism cannot be attributed to any religion, nationality or civilisation and that to attribute it to any religion, nationality or civilisation or to justify it in the name of any religion, nationality or civilisation constitutes a threat to humanity as a whole;

13. *Stresses* the need for regular parliamentary debates on international terrorism in order to keep this issue on the political agenda and to ensure strict follow-up of UN Security Council resolution 1373, in particular in respect of the report that each State is required to submit to the United Nations;

14. *Stresses further* the need for conflict prevention, and *urges* all parties concerned to stop ongoing conflicts, with due respect for the security of all persons involved in the conflicts.

Annex II

The role of Parliaments in supporting implementation of resolution 1397 (2002), adopted by the United Nations Security Council on 12 March 2002, and particularly the paragraph in which the Council expresses its attachment to "a vision of a region where two States, Israel and Palestine, live side by side within secure and recognized borders"

Resolution adopted by consensus* by the 107th Conference (Marrakech, Morocco, 22 March 2002)

[Original: English, French and Spanish]

The 107th Inter-Parliamentary Conference,

Recalling its previous resolutions on the situation in the Middle East, in particular the one adopted by consensus on 14 September 2001 in Ouagadougou,

Recalling also the resolutions adopted at the United Nations by the Security Council and the General Assembly,

Expressing its grave concern at the tragic and violent events that every day claim a great many lives and cause enormous destruction,

Endorsing the adoption by the Security Council of resolution 1397 on 12 March 2002,

1. *Welcomes* and *supports* the implementation of Security Council resolution 1397 and in particular its attachment to "a vision of a region in which two States, Israel and Palestine, live side by side within secure and recognised borders";

2. *Calls on* the Israelis and the Palestinians:

   (i) To introduce a logic of peace to replace the logic of war, violence and terror, by resuming political negotiations for a common future;

   (ii) To do their utmost to enable the Special Envoy from the United States, as well as the Special Envoys from the Russian Federation and the European Union and the United Nations Special Coordinator, to successfully conclude their missions of peace to the region;

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* The delegations of Lebanon and the Syrian Arab Republic stated that they could not join the consensus, whereas the delegation of the Islamic Republic of Iran expressed reservations on those elements of the text which might be construed to imply recognition of Israel.

(iii) To observe a ceasefire, comply with the standards of international humanitarian law and put an end to hostilities with a view to ensuring the security of the Israeli and Palestinian peoples, enabling Palestinian institutions to function freely and allowing the Israeli and Palestinian peoples to move about in all safety;

(iv) To cooperate in the implementation of the Mitchel Plan and the Tennet Outlines;

(v) To resume the peace negotiations immediately on the basis of the relevant resolutions of the Security Council and other UN bodies and the IPU resolution adopted in Ouagadougou;

3. *Welcomes* the contribution of Saudi Crown Prince Abdullah to achieving peace and stability in the region;

4. *Supports* all parliamentary and inter-parliamentary peace initiatives.

Annex III

Ten years after Rio: global degradation of the environment and Parliamentary support for the Kyoto Protocol

Resolution adopted by consensus by the 107th Conference (Marrakech, Morocco, 22 March 2002)

[Original: English, French and Spanish]

The 107th Inter-Parliamentary Conference,

Recalling and *reaffirming* parliamentary support for the commitment made by States at the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in 1992, to the principle of sustainable development as the blueprint for future policy development,

Noting that UNCED adopted the Rio Declaration, *Agenda 21* and the Statement of Principles for the Sustainable Management of Forests as well as two legally binding Conventions, the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity, and that negotiations on a Convention to Combat Desertification and the Barbados Programme of Action for the Sustainable Development of Small Island Developing States were initiated there and subsequently concluded in 1994,

Recalling the adoption by the Inter-Parliamentary Union, at its 97th Inter-Parliamentary Conference (April 1997), of a resolution entitled "Measures required to change consumption and production patterns with a view to sustainable development", which urges parliaments to honour the commitments undertaken in 1992,

Cognisant of the Declaration, adopted by that same Inter-Parliamentary Conference, in which the IPU *inter alia* cautions of the dangers of a "wait-and-see" policy and reaffirms that granting the developing countries new and additional financial resources remains one of the keys to sustainable development throughout the world,

Mindful of the Nineteenth Special Session of the UN General Assembly ("Rio + 5") in 1997, at which participants expressed general dissatisfaction with the advances made in the practical implementation of the Rio commitments and called for measurable progress and the formulation and elaboration of national strategies for sustainable development before the follow-up Conference ("Rio + 10") in 2002,

Aware of the outcome of the negotiations at the resumed Sixth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 6) in Bonn in July 2001 and at COP 7 in Marrakech in November 2001, which paved the way for the Kyoto Protocol's entry into force prior to the World Summit on Sustainable Development ("Rio + 10") in September 2002,

Noting the progress made in national and international environment policy (including the phasing-out of substances which deplete the ozone layer in the stratosphere) and the adoption of various global targets to combat poverty since 1992,

Deeply concerned that the high expectations raised by the international community's necessary and ambitious objectives in environment and development have not been met,

Worried that rising consumption and unsustainable methods of economic management continue to deplete the natural resource base, and that environmental pollution - especially air and water pollution – is increasing,

Underscoring that the ongoing destruction of habitats poses a threat to biological diversity and that poor historic and current agricultural management techniques have contributed to a decline in soil quality due to widespread soil degradation and erosion,

Alarmed that many natural resources (such as water, land and soil, forests and fish stocks) are already exploited beyond sustainable limits and that global health is under serious threat from waste products and harmful emissions,

Recognising that women have been primarily responsible for family subsistence, and that environmental degradation, including the rapid dwindling of natural resources such as water and firewood, have in many countries created conditions in which women struggle to meet the basic needs of their families and have had to become increasingly self-reliant heads of households as men have migrated to the cities in large numbers, following a decline in land productivity,

Alarmed that children, who are vulnerable in their early years, are liable to suffer permanent damage as a result of environmental pollution and unhealthy living conditions,

Reaffirming the resolution on volunteers adopted by the Inter-Parliamentary Union at its 105th Conference (April 2001) and *recognising* the important role that volunteerism plays in sustainable development,

Underlining the need to focus on practical measures for environmental protection and on sustainable development that engages civil society, especially businesses and NGOs in follow-up,

Welcoming the United Nations Millennium Declaration on 8 September 2000 and the establishment of the Millennium Development Goals, particularly the goal of environmental sustainability,

Deeply concerned that, despite the commitments made in 1992, global emissions of greenhouse gases have continued to rise, climate change is entrenched and ongoing, and the natural resources needed to sustain the growing world population are at risk,

CLIMATE CHANGE

1. *Urges* States to note the significance of the Third Assessment Report of the Intergovernmental Panel on Climate Change, which provides new and stronger evidence that most of the global warming observed over the last 50 years is attributable to human activities;

2. *Urges* States to expedite ratification of the Kyoto Protocol, taking into account the Marrakech Ministerial Declaration, in order to pave the way for its timely entry into force before the World Summit on Sustainable Development (26 August-4 September 2002, Johannesburg, South Africa) and to encourage others to do likewise;

3. *Encourages* all States, including the United States of America, to recognise that, being the first to industrialise, developed countries should also be the first to take action to reduce their greenhouse gas emissions and that the commitments provided for in the Kyoto Protocol are the vital first step towards addressing climate change;

4. *Also encourages* States to consider what further action, consistent with the principle of common but differentiated responsibilities, will be needed to meet the overall objective of the United Nations Framework Convention on Climate Change – the stabilisation of greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous anthropogenic interference with the climate system;

5. *Further encourages* States to recognise the impact that climate change has on the frequency and severity of natural disasters, and *calls on* States to address the humanitarian issues of climate change by working with international organisations, local authorities and community-based organisations such as national Red Cross and Red Crescent societies;

6. *Calls on* States to agree on an action plan that will provide the necessary energy basis for achievement of the Millennium Development Goals;

7. *Encourages* States to create conditions enabling countries to maximise the use of renewable energy sources and, in pursuing their national environmental, economic, social and security objectives, to increase energy efficiency *inter alia* by emphasising the importance of improvement within the transport sector;

OTHER SUSTAINABLE DEVELOPMENT ISSUES

Poverty and environment

8. *Urges* States to support the implementation of the United Nations Millennium Development Goals, including those pertaining to environmental resources, by promoting understanding of the links between poverty and more effective management of environmental resources and incorporating environment issues into national poverty reduction strategies;

9 *Calls on* the industrialised countries to support the developing countries in their development process and in their efforts to accommodate environmental protection in their development policies, and, in particular, *recommends* adopting policies to lighten the debt burden of developing countries which, in order to service their debts, are bound to overexploit their natural resources, depleting them rapidly or endangering them;

10. *Encourages* States to ensure a sound enabling environment (including good governance) that will not only mobilise domestic resources, but also attract international private investment flows, realise the gains of trade integration and make best use of overseas development assistance (ODA);

11. *Calls on* States to ensure that poverty reduction is a main topic in international agreements and organisations like the WTO and the international financial institutions;

12. *Calls on* States to improve the terms of trade for developing countries, aid effectiveness (through harmonisation, the de-linking of aid and focusing on capacity building to capitalise on the opportunities offered by globalisation), increase ODA to 0.7% of GNP as recommended by the UN (through a proposal such as the International Development Trust Fund to lever in private finance), and ensure that aid is better targeted according to the twin criteria of poverty and pro-poor policy;

13. *Urges* States to support the New Partnership for Africa's Development (NEPAD) to enable Africa to end its economic and social marginalisation, and similar efforts in other regions;

Water

14. *Calls on* States to ensure that water receives due recognition as a key to sustainable development; and *urges* States to implement actions in support of the Water Millennium Development Goal and to press for the adoption of the following targets, written into the Bonn Recommendations for Action:

- To halve the proportion of people without access to appropriate sanitation by 2015;
- To be in the process of developing water resource management plans by 2005;
- To set appropriate targets for improving the equity and efficiency with which water resources are used;
- To include water issues in poverty reduction strategies and other national plans;

15. *Urges* States to obtain agreement on how the international community can support action frameworks that respect national sovereignties and provide a credible path to achieving the Millennium Development goals, focused on the three key cross-cutting fields of:

- Governance: sustainable water resources management, effective and transparent regulatory processes and cooperation across international boundaries;

- Mobilising financial resources: new and more effective financing instruments that encourage all sources of funding for sustainable development;
- Capacity building: sharing knowledge and good practice through collaboration and international partnerships;

16. *Calls on* States to recognise oceans as a key aspect of the sustainable development agenda, with important links to achieving the objectives of World Summit for Sustainable Development (WSSD), and to embrace the idea of the "global commons"; and *urges* States to develop international initiatives and action on:

- Sustainable fisheries (food security, and illegal fishing);
- Marine protected areas (such as a possible network around the world, including coral reefs, tourism and fisheries);
- Ocean governance and partnerships (new mandate for UN Oceans Consultative Process and Regional Seas strengthening and cooperation);
- Restriction of emissions of nuclear waste which will eventually lead to radioactive pollution of the oceans;

Other key initiatives

17. *Urges* States to step up efforts to combat drought and desertification, find suitable solutions with regard to land management, and establish green belts to stop soil deterioration;

18. *Calls on* States to promote forest ecosystem management, to conserve and protect biological diversity and genetic resources and to support programmes to handle Persistent Organic Pollutants (POPs);

19. *Encourages* States to develop or strengthen non-coercive population management strategies consistent with the goals of sustainable development;

20. *Urges* States to raise awareness about the relationship between the environmental, social and cultural dimensions of sustainable development in order to meet the challenges of increasing economic and cultural deprivation, by promoting education, health, gender equality and cultural diversity, and asks UNESCO and other relevant agencies to work closely with IPU to deepen the international debate and assist in the formulation of national policies on these issues;

21. *Calls on* States to promote a framework for stimulating technological and social innovation to facilitate the economic progress required to tackle poverty and improve standards of living while respecting environmental limits; to de-link growth from environmental degradation; and to promote innovation and enterprise, needed to achieve gradual changes in sustainable development;

22. *Encourages* all States, particularly developed States, to use market-based tools to encourage investment in alternative energy technologies and to promote environmentally sustainable practices in general, and in particular measures to encourage consumers to consider environmental costs when making purchasing decisions;

23. *Encourages* States to ensure that trade and other agreements do not contradict environmental instruments;

24. *Calls on* States to implement the precautionary principle and the "polluter pays" principle;

25. *Believes* that it is the responsibility of all, especially those with access to the media and public forums, to encourage people to adopt environmentally sustainable lifestyles.

Annex IV

The role of Parliaments in developing public policy in an era of globalization, multilateral institutions and international trade agreements

Resolution adopted by consensus by the 107th Conference (Marrakech, Morocco, 22 March 2002)

[Original: English, French and Spanish]

The 107th Inter-Parliamentary Conference,

Believing that globalisation brings both opportunities and challenges to all countries and affects peoples' daily lives,

Observing that in many countries, particularly the poorest, debt is a major constraint and a real impediment to development within the context of globalisation,

Noting the growing importance of international trade and its direct influence on the development and well-being of nations everywhere, and *concerned* that the current international trading system appears to be biased in favour of developed countries and creates problems for many developing countries,

Pointing out that, as a consequence of globalisation, many countries require enhanced protection in the areas of human rights, sustainable development and social needs,

Considering the importance of parliamentary participation and interaction in international trade issues in ensuring better representation of the people and creating a democratic multilateral trading system based on equality and transparency,

Recognising the vital role of parliaments and parliamentarians as the legitimate representatives of the people and as the link between citizens' needs, including those related to human rights and social, economic and environmental concerns, and related government policy, at national and international level,

Considering the constitutional duty of parliaments, where applicable, to ratify international agreements, enact legislation and oversee its implementation,

Considering also the importance of parliamentary inputs in multilateral institutions, particularly in the areas of trade, finance, sustainable development, human rights and the environment,

Convinced that globalisation makes women's participation in multilateral negotiations all the more essential,

The 107th Inter-Parliamentary Conference therefore:

1. *Emphasises the need* for parliaments and their members to take steps to ensure that globalisation also benefits developing countries so that their peoples attain greater social and economic prosperity;

2. *Calls on* parliaments to play a much more active role in the area of international trade, finance and environmental negotiations and to participate in shaping related policies;

3. *Pointing out* the urgent need for parliaments to contribute positively at all stages of trade negotiations, including follow-up, so as to ensure that they reflect the concerns and aspirations of all citizens;

4. *Urges* the international community, particularly the World Trade Organization (WTO), to create a more democratic, fair, transparent, equitable, and non-discriminatory multilateral trading system;

5. *Stresses* the need for:

   (a) The international community, including the WTO, to take into account the different levels of development, particularly of developing countries, in the negotiation process by providing the special and differential treatment prescribed in various WTO agreements and assisting with capacity-building;

   (b) The International Monetary Fund (IMF) and the World Bank and other multilateral development banks to do likewise;

6. *Emphasises* that international trade should target people-centred development which includes greater market access for the exports of developing countries, increased development assistance and better access to technology;

7. *Urges* the international community to reduce substantially the debt of the poorest countries and to cancel the public debt of the heavily indebted poor countries, while not neglecting the opportunity of recovering funds illegally sequestered by some rulers of those countries for their own personal gain;

8. *Stresses* the need to include parliamentarians in delegations to multilateral negotiations and to see to it that such delegations comprise both men and women;

9. *Calls on* parliaments to play an active role in monitoring decisions taken and activities carried out by the multilateral institutions, in particular those affecting the development of nations; in bringing trade- and finance-related multilateral institutions closer to the peoples they are meant to serve; and in making multilateral institutions more democratic, transparent and equitable;

10. *Calls on* the IPU to undertake a general study on how parliaments address globalisation and its impact on their constituents;

11. *Also calls on* the IPU to continue its efforts to provide a parliamentary dimension to the WTO and the Bretton Woods institutions.

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Letter dated 7 June 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from Saint Vincent and the Grenadines submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you could arrange for this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Counter-Terrorism Committee

02-42017 (E) 200602

Annex

Note verbale dated 3 June 2002 from the Permanent Mission of Saint Vincent and the Grenadines to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

The Permanent Representative of Saint Vincent and the Grenadines to the United Nations presents her compliments to the Chairman of the Counter-Terrorism Committee established pursuant to Security Council resolution 1373 (2001) and has the honour to forward herewith the original report from the Government of Saint Vincent and the Grenadines pursuant to paragraph 6 of resolution 1373 (2001) (see enclosure), together with copies of the legislation referred to therein.*

* The annexes are on file with the Secretariat and are available for consultation.

Enclosure

Report submitted pursuant to paragraph 6 of Security Council resolution 1373 (2001) of 28 September 2001

1. In the past 12 months the Saint Vincent and the Grenadines Government has piloted several Bills in Parliament and enacted legislation to combat specific terrorist acts like acts against the Safety of Civil Aviation and Airports serving International Civil Aviation, the Safety of Maritime Navigation and Fixed Platforms located on the Continental Shelf, acts of Hostage Taking, and Crimes against Internationally Protected Persons. (*See Appendix I*).

2. In the wake of the September 11 terrorist attacks in the U.S.A. last year and calls from the U.N. Security Council, Saint Vincent and the Grenadines promptly signed the International Convention for the Suppression of the Financing of Terrorism, 1999 and followed it up with our ratification in March 2002. The Convention entered into force for Saint Vincent and the Grenadines on 27 April 2002.

3. To further ensure that all measures have been put in place in respect of terrorist activities, the Cabinet of Saint Vincent and the Grenadines, in March 2002 approved the establishment of a committee to examine the implications of resolutions 1373 (2001) and 1368 (2001) and to carry out a programme of implementation as far as it is practicable. The Committee is made up of the following persons:

- Representative from the Office of the Prime Minister
- Representative from the Attorney General's Office
- Representative of the Director General/Finance and Planning
- Representative from the Offshore Finance Authority
- Representative from the Ministry of Foreign Affairs

4. The office of the Attorney General recently drafted a Bill on terrorism - the United Nations (Anti-Terrorism Measures) Act, 2002 to specifically implement the provisions of the said Convention and provide for certain measures to combat terrorism as mandated by Security Council Resolutions.

5. This Act was passed in Parliament on Tuesday, 28 May 2002. It not only makes the provision or collection of funds for terrorist acts an offence in Saint Vincent and the Grenadines (as required by the 1999 Convention) but other related acts like the provision of resources and services for the benefit of terrorists, dealing with the property of terrorists, and supporting terrorists in other ways like assisting in the recruitment of persons or the supply of weapons are made offences here following the mandate in Security Council resolution 1373 (2001).

6. The prohibitions against the provision of funds etc., under this Act apply equally to entities owned or controlled by any terrorist or groups of persons acting with a common purpose to commit terrorist acts. If the activities of any group or organization invoives the commission of a terrorist act dealings with such organizations would be

prohibited under this Act and any money or property owned by such organization or group of persons would also be "terrorist property" to which the relevant provisions of this Act on seizure, forfeiture, and freezing (though restraint orders) would apply.

7. As in other Acts for the implementation of Conventions against specific acts of terrorism, this Act contains provisions to confer jurisdiction on our courts on a number of grounds including the mere 'presence' of the alleged offender on our territory. There are also provisions on notifications to other States concerned, extradition, mutual legal assistance, etc. To meet our obligations under the 1999 Convention and Security Council resolution 1373 (2001) provisions have been included on forfeiture of terrorist property upon conviction for an offence under the Act; for the seizure, detention and forfeiture of terrorist cash; and for the freezing of funds and financial assets of terrorists and terrorist groups and entities through Restraint Orders on the lines of the corresponding provisions in our recent Proceeds of Crime and Money Laundering (Prevention) Act.

8. As a result of the Financial Action Task Force (FATF) Special Meeting on the Financing of Terrorism held in Washington, D.C., on 29 and 30 October 2001, the FATF expanded its mission beyond money laundering and agreed to a set of Special Recommendations on Terrorist Financing and also agreed to a Comprehensive Plan of Action. The Special Recommendations commit FATF members to undertake the following action, before June 2002:

- Take immediate steps to ratify and implement the relevant United Nations instruments;
- Criminalise the financing of terrorism, terrorist acts and terrorist organisations;
- Freeze and confiscate terrorist assets;
- Report suspicious transactions linked to terrorism;

As a part of this Plan of Action a Self-Assessment of all FATF members against the Special Recommendations was proposed.

The Caribbean Financial Action Task Force (CFATF) is also taking part in this self-assessment exercise and the Self-Assessment Questionnaire was forwarded to all CFATF members.

Saint Vincent and the Grenadines completed its questionnaire for submission to FATF by 1 May 2002.

9. Saint Vincent and the Grenadines has specific provisions that permit competent authorities to provide mutual legal assistance to other countries in connection with investigations, inquiries and proceedings relating to the financing of terrorism, of terrorist acts and terrorist organizations. The Financial Intelligence Unit Act, 2001 makes provision for a national centralized unit within Saint Vincent and the Grenadines to be responsible for the collection, analysis, and dissemination of suspicious transaction information to competent authorities. It gives the Financial Intelligence Unit the power to provide

to any foreign Financial Intelligence Unit any information relating to a suspected offence or a suspicious transaction report.

The Financial Intelligence Unit is also the body within Saint Vincent and the Grenadines with responsibility for receiving and exchanging information with Financial Intelligence Units outside of Saint Vincent and the Grenadines.

10. Our jurisdiction has specific measures in place that permit competent authorities to deny 'safe haven' for those individuals involved in the financing of terrorism, of terrorist acts or of terrorist organisations.

11. The new anti-money laundering laws, which includes the Proceeds of Crime and Money Laundering (Prevention) Act 2001 and the Proceeds of Crime Money Laundering Regulations create a framework of enhanced due diligence by all financial institutions and identified relevant businesses. These laws require such institutions to know their clients or the beneficial owners of accounts. Such transparency is crucial in the fight against terrorist financing.

12. The new Exchange of Information Act 2002 is also a crucial tool in fighting terrorism as it allows for the sharing of financial information through yet another channel, that is, regulators to regulators. Such sharing of information is particularly crucial to the fighting of international terrorism.

13. The National Anti-Money Laundering Committee (NAMLC) established in December 2001 has been proactive in sensitizing the relevant financial institutions and business under the new anti-money laundering legislative regime. A two day seminar was held on May 23-24, hosted by the NAMLC in association with the Trinidad based Caribbean Anti Money Laundering Programme (CALP).

- Among the presentations was one that specifically addressed terrorist financing and the duty of Saint Vincent and the Grenadines to implement the UN Convention on Terrorism.
- There were 100 attendees on the first day, representing over 60 financial institutions, and 88 on the second.
- Please see report on the workshop at www.stvincentoffshore.com.

APPENDIX: REPORT SUBMITTED PURSUANT TO PARAGRAPH 6 OF SECURITY COUNCIL RESOLUTION 1373 (2001) OF 28 SEPTEMBER 2001

1. Exchange of Information Act, 2002 (disk)

2. (a) Financial Intelligence Unit Act, 2001
38 of 2001
Assented: 18th December, 2001

(b) Financial Intelligence Unit (Amendment) Act, 2002
24 of 2002

(c) Financial Intelligence Unit Act (Commencement) Notice, 2001
26 of 2001

3. (a) International Banks (Amendment) (No. 2) Act, 2000
16 of 2000
Assented: 17th October 2000

(b) International Banks Act, 1996
19/1996 (disk and hard copy)
Assented: 7th October, 1996

(c) International Banks (Amendment) Act, 2002

4. Maritime Security Act, 2002
Assented: 4th February, 2002
5 of 2002

5. (a) Proceeds of Crime and Money Laundering (Prevention) Act
39/2001
Assented: 18th December, 2001

(b) Proceeds of Crime and Money Laundering (Prevention) Act (Commencement) Notice, 2001
25 of 2001

(c) Proceeds of Crime (Money Laundering) Regulations, 2002
7 of 2002

6. Protection of Aircraft and Airports Act, 2002
Assented: 25th January, 2002
2 of 2002

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Letter dated 5 June 2002 from the Chairman of the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait addressed to the President of the Security Council

I have the honour to transmit herewith the annual report of the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait (see annex). The report, which was adopted by the Committee on 4 June 2002, is being submitted pursuant to the note by the President of the Security Council of 29 March 1995 (S/1995/234).

(*Signed*) Ole Peter **Kolby**
Chairman
Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait

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Annex

Annual report of the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait

I. Introduction

1. The present report is submitted to the Security Council pursuant to the note by the President of the Security Council dated 29 March 1995 (S/1995/234), by which the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait is requested to report annually to the Security Council, providing a concise indication of its activities. The Committee has so far submitted five annual reports to the Security Council (S/1996/700, S/1997/672, S/1998/1239, S/2000/133 and S/2001/738). The present report, the sixth of its kind, presents a factual summary of the Committee's major activities from 1 December 2000 to 31 December 2001, with additional references to other important events and decisions.

2. During the reporting period, the implementation of the arrangements established by resolution 986 (1995) has continued under resolutions 1330 (2000) (phase IX), 1352 (2001) (extension of phase IX), 1360 (2001) (phase X) and 1382 (2001) (phase XI). The Committee submitted three reports to the Council during this period on the implementation of the arrangements set out in paragraphs 1, 2, 6 and 8 to 10 of resolution 986 (1995) (S/2001/321 of 3 April 2001, S/2001/842 of 5 September 2001 and S/2001/1341 of 31 December 2001).

3. Pursuant to paragraph 6, subparagraph (f), of the guidelines to facilitate full international implementation of paragraphs 24, 25 and 27 of Security Council resolution 687 (1991), the Committee submitted four reports to the Council during the reporting period on matters related to the arms embargo (S/2001/72, S/2001/400, S/2001/721 and S/2001/1003).

4. The Committee's bureau is elected at the beginning of each calendar year after consultations among members of the Security Council. The bureau consists of a Chairman elected in his or her personal capacity and two Vice-Chairmen designated in their national capacity. For 2000, the bureau consisted of Peter van Walsum (Netherlands) as Chairman, with the delegations of Argentina and Ukraine as Vice-Chairmen. For 2001, Ole Peter Kolby (Norway) served as Chairman, with the delegations of Mauritius and Ukraine as Vice-Chairmen.

II. Work of the Committee

5. During the reporting period, the Committee dealt with a wide range of issues. From December 2000 to the end of December 2001, the Committee held 20 formal meetings, bringing the total number of formal meetings to 228 since its inception in 1990. In accordance with the decisions taken at the Committee's 132nd and 134th meetings, the Chairman continued to give oral briefings about the work of the Committee after each formal meeting to interested delegations and the press.

6. The Committee also held frequent informal consultations at the expert level to discuss various issues concerning its work, in particular issues related to the implementation of the oil-for-food programme, such as holds on contracts, the cash component and oil pricing mechanisms.

A. Implementation of Security Council resolution 986 (1995)

7. The operation under resolution 986 (1995) continued throughout the reporting period, extended successively by resolutions 1330 (2000), 1352 (2001), 1360 (2001) and 1382 (2001). The Committee continued in its efforts to overcome difficulties in the approval process and to speed up the delivery and distribution of humanitarian supplies to Iraq.

Export of petroleum and petroleum products from Iraq

8. During the period covered by the present report, ending 31 December 2001, the export of petroleum and petroleum products from Iraq continued, with cooperation among the oil overseers, the United Nations independent inspection agents (Saybolt Nederland BV), the State Oil Marketing Organization of Iraq and national oil purchasers.

9. By the end of the reporting period, there were 944 national oil purchasers, nominated from 86 countries,

authorized to communicate directly with the oil overseers, in accordance with paragraph 2 of the procedures of the Committee (see S/1996/636).

10. In the period covered by the present report, a total of 383 oil contracts were reviewed and approved by the oil overseers and the Committee. Four hundred and nine liftings were made, with a volume of 637 million barrels. The revenue generated amounted to €13,348 million ($11,764 million at the rate of exchange on 30 December 2001). About 37 per cent of the loadings were made at Ceyhan in Turkey.

11. During the reporting period, the oil overseers continued to advise the Committee on oil prices, volumes, liftings, destinations, management of the revenue objective and other pertinent questions related to the monitoring of petroleum exports from Iraq in accordance with the provisions of resolutions 986 (1995), 1153 (1998), 1210 (1998), 1242 (1999), 1266 (1999), 1281 (1999), 1302 (2000), 1352 (2001), 1360 (2001) and 1382 (2001). The oil overseers briefed the Committee, on a number of occasions, on matters related to the pricing mechanisms for Iraq's oil exports.

12. During phase IX, two irregularities (involving Glencore AG and Montega) in the crude-oil export operations have been detected and reported to the Committee by the oil overseers. Both cases involved potential loss of revenue to the United Nations Iraq account because of non-compliance with the authorized discharge destination. In order to decrease the possibility of such deviations in the future, the oil overseers initiated from 1 April 2001 the issuance of notification of authorized export destinations to ships' masters.

13. During phase X the oil overseers briefed the Committee on a number of occasions on matters related to the pricing mechanisms for Iraqi's oil exports. Discussions in the Committee on this issue, which were also reflected during the consultations in the Security Council, continued without reaching consensus on the time frame for the oil pricing mechanisms. Meanwhile, starting from October 2001 all the pricing mechanisms proposed by the State Oil Marketing Organization to the Committee through the oil overseers were put on hold, and the holds were released towards the end of each month after the Overseers provided new recommendations and reports concerning market premia paid for Iraqi crude. The impact of this retroactive pricing and Iraq's policy of imposing excess premia on its oil exports is now under careful consideration by the Committee.

14. In November 2001 two cases of alleged shipment of Iraqi crude oil outside the framework of United Nations control (both on the vessel *Essex*) was brought to the attention of the members of the Committee. The Committee decided to address the countries involved so that they would investigate the matter and present their findings to the Committee. Meanwhile the additional measures to ensure proper monitoring of Iraqi crude-oil exports, as proposed by the Office of the Iraq Programme, have been approved by the Committee.

15. Pursuant to paragraph 14 of the procedure of the Committee, the overseers continued to report to the Committee once a week on the contracts they considered for the sale of petroleum originating in Iraq, including the cumulative quantity and approximate value of petroleum authorized for export. Pursuant to the request of the Security Council, since 1 October 2001 a paragraph concerning market premia paid for Iraqi crude oil has been included. By the end of 2001, 264 such reports had been submitted to the Committee.

Efforts by the Committee to expedite humanitarian deliveries and related matters

16. During the reporting period, the Committee continued to attach priority to the work of processing contracts for humanitarian supplies for Iraq submitted under the oil-for-food programme.

17. Pursuant to paragraph 11 of Security Council resolution 1330 (2000) of 5 December 2000, the Committee approved a number of expanded lists of humanitarian items submitted in accordance with paragraph 17 of resolution 1284 (1999) and paragraph 8 of resolution 1302 (2000). The lists of additional educational, water and sanitation and food-handling items were approved on 12 February 2001. The list of additional agricultural items was approved on 23 February 2001, and the list of additional items for the health sector was approved on 27 February 2001. Pursuant to paragraph 10 of Security Council resolution 1330 (2000), the Committee approved the list of basic or standard items for the housing sector on 27 February 2001 and the list of items for the electricity sector, under phase IX, on 24 May 2001. It is worth noting that all of the above lists were approved with reservations by certain delegations. In accordance

with the aforementioned resolutions, supplies of items on the approved lists will not be submitted for the Committee's approval, except for items subject to the provisions of resolution 1051 (1996), and will be notified to the Secretary-General and financed in accordance with the provisions of subparagraphs 8 (a) and (b) of resolution 986 (1995).

18. Much of the Committee's attention has been focused on the question of holds on contracts in the humanitarian sector, as well as oil spare parts and equipment. In accordance with the recommendations contained in the letters of the Secretary-General to the President of the Security Council of 22 October 1999 (S/1999/1086) and 3 October 2000 (S/2000/950), members of the Committee continue reviewing humanitarian contracts placed on hold during the reporting period.

19. The Committee has initiated a series of informal meetings on sectoral activities, with presentations by the United Nations agencies and programmes concerned, as well as discussions on holds in each sector. The first meeting took place on 3 April 2001; the Committee was briefed by the United Nations Centre for Human Settlements on the housing situation in Iraq. On 4 May 2001, Committee members heard a briefing by representatives of the International Telecommunication Union on the situation of Iraq's telecommunications sector. On 10 September 2001 the Committee was briefed by representatives of the United Nations Children's Fund (UNICEF) on the water and sanitation sector in the south and centre of Iraq, on 22 October 2001 representatives of the Food and Agriculture Organization of the United Nations (FAO) briefed the Committee on the agricultural sector, and on 20 November 2001 the Committee heard a briefing by the United Nations Development Programme (UNDP)/Electricity Network Rehabilitation Programme and the United Nations Humanitarian Coordinator in Iraq, Mr. Tun Myat, on the electricity sector. On 27 November 2001 Mr. Myat and his colleagues were back in the Committee to resume the discussions on reconnecting Iraq's three northern governorates to the national electricity grid. On 12 December 2001, representatives of the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNICEF and the United Nations Office of the Humanitarian Coordinator in Iraq briefed the Committee on the education sector. In the aforementioned meetings, the Committee was urged to address the issue of holds as soon as possible, so as to facilitate the implementation of the oil-for-food programme.

20. On 1 February 2001 members of the Committee heard a briefing by the Secretariat on the payment mechanism and commercial protection under the ESB (53 per cent) account. Members of the Committee agreed that the issue of a payment mechanism that would address Iraq's concerns and provide adequate commercial protection within the rules and regulations governing the implementation of the humanitarian programme would be discussed during informal consultations of the Committee at the expert level. Discussions on the matter are still inconclusive and will continue.

21. The Secretariat brought to the Committee's attention Iraq's delay in issuing entry visas to United Nations personnel. In a subsequent letter to the Iraqi Government, the Committee reiterated the relevant provisions of the memorandum of understanding and urged Iraq to fulfil its obligations and expeditiously address that issue. During the reporting period, there was no subsequent change in Iraq's position.

Humanitarian supplies to Iraq under the oil-for-food programme

22. During the period covered by this report, the Secretariat received 5,747 applications, of which 544 were subsequently cancelled or declared null and void, 1,856 were notified by the Secretariat based on the categorized lists ("green lists") pre-approved by the Committee pursuant to paragraph 11 of resolution 1330 (2000), 2,861 were circulated to the Committee, 197 were incomplete or considered non-compliant with the Committee's procedures, and 83 were considered inactive. Of the 2,861 circulated for action, 2,104 were approved, with a total value of approximately $5,275,797,304, 721 applications worth approximately $2,809,444,989 were placed on hold and 36 with a total value of $112,823,740 were awaiting decisions from the Committee. In the same period, 1,398 applications worth $3,760,247,342 were released from previous holds, and 1,540 were placed on hold, with a total value of $5,139,985,814. The Committee also approved applications worth approximately $266,422,850 for purchases for the United Nations inter-agency humanitarian programmes operating in the northern part of Iraq.

23. The arrival of humanitarian goods is verified and confirmed by the United Nations independent inspection agents, Cotecna, at four entry points: the port of Umm Qasr, Trebil on the Iraqi-Jordanian border, Al-Walid on the Iraqi-Syrian border and Zakho on the Iraqi-Turkish border. During the period covered by the present report, from 1 December 2000 to 31 December 2001, a total of 4,548 approved consignments were confirmed as having arrived in Iraq in full or partial shipments. As in previous phases, the Iraqi authorities have accorded the independent inspection agents full cooperation in their work.

24. The Committee remains fully committed to implementing its mandate with regard to the export of humanitarian supplies to Iraq under the oil-for-food programme and will continue its efforts to further improve the approval process and enhance the timely delivery of humanitarian supplies to Iraq.

Matters related to the oil sector (oil spare parts and cash component)

25. By its resolution 1175 (1998), the Security Council decided that up to a total of $300 million in the escrow account produced pursuant to resolution 1153 (1998) might be used to meet any reasonable expenses that follow directly from contracts for parts and equipment necessary for Iraq to increase the export of petroleum and petroleum products. Paragraph 1 of resolution 1293 (2000) increased the amount that might be used to meet any reasonable expenses in that regard to $600 million. That arrangement has subsequently been reaffirmed by Security Council resolutions 1302 (2000), 1330 (2000), 1352 (2001), 1360 (2001) and 1382 (2001).

26. The Committee has made continuous efforts to expedite the approval of applications for spare parts and equipment required for the oil sector. Pursuant to paragraph 18 of resolution 1284 (1999), the Security Council requested the Group of Experts appointed by the Committee to approve contracts for the parts and equipment referred to in paragraph 1 of resolution 1175 (1998). On 21 February 2001, the Committee received a project-based list of oil spare parts and equipment for the Iraqi oil industry under phase IX. The list was approved with amendments on 25 May 2001. On 4 September 2001 the Committee received from the Office of the Iraq Programme a list of items for oil spare parts and equipment (for phase X), submitted pursuant to paragraph 18 of resolution 1284 (1999), which were deemed eligible for accelerated approval procedures. The Committee approved the list with amendments on 15 November 2001.

27. The Committee held a number of informal consultations at the expert level to discuss the situation of the oil industry in Iraq. It discussed ways to improve the approval process for contracts for sending oil spare parts and equipment to Iraq in accordance with existing procedures.

28. By the end of 2001, the Secretariat had received 2,042 applications from 49 States for the export of oil spare parts and equipment to Iraq. Forty-three of these applications were subsequently withdrawn, and 677 were circulated to the Committee for consideration. Of the total considered by the Committee, 400 contracts with a value of approximately $423,125,008 were subsequently approved, 274 worth $374,979,238 were placed on hold, and 3 with a value of $4,550,280 were awaiting the decision of the Committee. In the same period 522 applications worth approximately $426,276,331 were released from previous holds, and 274 contracts with a value of $374,979,238 were placed on hold. One hundred and fifty-four applications with a value of $235,965,627 were still under evaluation by Secretariat experts, including 27 inactive applications worth $12,520,771, while 272 with a value of $263,976,063 remained to be processed. (Note: 862 applications worth $812,965,366 were approved by the Office of the Iraq Programme.)

29. The Committee intends to continue the practice of keeping under review contracts for oil parts and equipment that have been placed on hold.

30. With regard to the issue of the cash component for the oil sector, following comprehensive discussions, on 17 October 2001 the Committee sent a letter to the Executive Director of the Office of the Iraq Programme conveying the Committee's agreement, in principle, with the approach and direction taken by the Secretary-General, as described in the report to the Security Council on the matter (S/2001/566, annex). At the same time, certain elements relating to the implementation of the necessary arrangements in this regard continue to be of concern to certain members of the Committee, and, thus, further clarifications were sought. The Committee agreed, therefore, to request that the Executive Director of the Office of the Iraq Programme address certain points described in the annex to the above-mentioned letter in his discussions

with the Government of Iraq and then report back to the Committee.

B. Humanitarian exemptions under resolution 661 (1990)

31. During the period covered by the present report, the Committee continued to receive and process other notifications and applications to send humanitarian goods to Iraq submitted under resolutions 661 (1990) and 687 (1991). The total number of notifications and applications received from States and international organizations was 6,352, including 181 notifications. The Committee acknowledged receipt of all 84 foodstuff notifications and took note of 97 voluntary notifications for medical supplies to Iraq, which had an estimated combined value of $267,037,113.32. Under its "no-objection" procedure, the Committee processed all of the remaining 6,171 applications concerning the supply of other categories of goods to Iraq. Some 2,168 of these requests, with an estimated value of $8,041,384,653.29, were approved; 682 requests with an estimated value of $2,009,426,507.07 were placed on hold for further information and/or clarification, and 3,313 applications with a value of $27,550,806,741.45 were blocked. Eight applications with a value of $2,574,551.44 were withdrawn or annulled.

C. Flights

32. During the period covered by the present report, the Committee continued the discussion on issues related to the Committee's procedures with regard to flights to Iraq. The Committee processed and responded to 447 communications concerning flights to Iraq. The Committee also considered a number of related issues on the matter. As requested by some of its members, the Committee considered at its 210th meeting, in December 2000, some press reports relating to plans of a United Arab Emirates company to establish regular flights to Baghdad. At the 222nd meeting, on 6 September 2001, the Committee discussed a communication from Syria informing the Committee that Syrian Arab Airlines intended to start operating charter flights twice a week between Damascus and Baghdad. In the absence of consensus, the Committee continued to follow its current practice of considering flight communications on a case-by-case basis, pending a solution with regard to the procedures for flights to Iraq.

D. Financial matters

33. An Iraqi request to donate €1 billion of oil revenue to the Palestinian people was on the agenda of the Committee in early 2001. The President of the Security Council requested recommendations on this matter, and the Committee met a number of times in early 2001 to consider the possibilities and implications. The Chairman informed the Committee of his contact with the Palestinian representative, who had welcomed the Iraqi gesture and hoped that this matter might be dealt with by the Committee independently of the sanctions regime against Iraq. Debates ensued, with diverse opinions expressed in the Committee. The Chairman concluded that there was no agreement on the issue, and he would so inform the President of the Security Council.

34. At its 212th meeting, on 18 January 2001, the Committee considered a request from UNESCO to open a bank account in Iraqi dinars from which funds could be drawn to finance activities in Iraq. The Committee decided to request further clarification on the proposal before taking further action on it.

35. With regard to a request from Jordan that its share in a private joint venture held in Baghdad be released, the Committee decided at its 212th meeting that the Chairman of the Committee would approach the Jordanian Ambassador to glean further information.

36. Referring to a letter from Jordan requesting the Committee's authorization for a Jordanian company to provide insurance to a company in Baghdad, the Committee, at its 212th meeting, was of the view that such activities were prohibited by paragraph 4 of resolution 661 (1990).

37. The representative of the United Nations Treasury briefed the Committee at its 215th meeting, on 19 March 2001, on the euro reports circulated earlier to all members. The Treasurer confirmed that an account in euros had been opened with BNP-Paribas and cited relevant administrative costs for the changeover that totalled $2.6 million. The Treasurer also briefed the Committee on the diversification of banking services for the United Nations Iraq account.

38. During related discussions, the Treasurer also appealed to the Committee to encourage States to transfer proceeds from the sale of illegal Iraqi oil cargoes into the escrow account established by resolution 778 (1992). The Committee considered this

appeal at its 228th meeting, held on 19 December 2001, and decided to request the Multinational Interception Force to provide the Committee with information regarding ships seized and diverted in the Gulf. As requested by members of the Committee, the Treasurer would provide further background information on the United Nations escrow account.

39. At its 221st meeting, on 12 July 2001, the Committee had a preliminary discussion on the latest report of the Board of Auditors on the audit of the United Nations escrow account. It was agreed that the Chairman would write a letter to the Secretary-General expressing the Committee's appreciation for the report.

E. Monitoring arrangements and reported violations

40. At the 210th meeting, on 21 December 2000, it came to the Committee's attention that a United Arab Emirates subsidiary of a Qatari company had donated an aeroplane to Iraq. The Committee agreed that this was in breach of Security Council resolutions 661 (1990) and 670 (1990) and decided to send letters to the United Arab Emirates and Qatar to ascertain the facts of the matter.

41. At its 210th meeting, on 21 December 2000, the Committee decided to send letters to Libya, Syria and the United Arab Emirates regarding flights to Iraq that had taken place without notification to the Committee.

42. At its 215th meeting, on 19 March 2001, the Committee was informed that two flights to Iraq, from Bulgaria and Syria, had allegedly taken place without being brought to the attention of the Committee. In this connection, reports of Iraqi aircraft landing in other countries also came to the attention of the Committee. There was no consensus in the Committee on how to proceed with the matter.

43. At its 218th meeting, on 30 April 2001, the Committee was informed by the Office of the Iraq Programme that Glencore International AG, a company whose oil import from Iraq had been found by the oil overseers to be subject to irregularities, had paid back to the United Nations Treasury the outstanding $3 million from oil proceeds. The Committee agreed that the oil overseers should send a letter, on behalf of the Committee, warning Glencore International AG that all its future contracts would be scrutinized and that any irregularities would be brought to the immediate attention of the Committee. At its 226th meeting, on 8 November 2001, the Committee discussed a letter in which the Permanent Observer of Switzerland concluded that the investigation carried out by the Swiss State Secretariat of Economic Affairs, at the request of the Committee, into the alleged irregular activities of Glencore International AG had yielded no evidence that the company had intended to divert Iraqi oil from its original destination and sell it in Europe. At its 227th meeting, held on 3 December 2001, the Committee expressed some scepticism about the Swiss investigation. In this light, the Committee sent a letter, on 18 December 2001, to seek further clarification on the matter from the Swiss authorities.

44. At its 224th meeting, on 9 October 2001, the Committee received information that a group of Arab businessmen had presented the Government of Iraq with a Boeing 747 aircraft that had in turn been presented to Iraqi Airways. It was decided that the Committee was to send a letter to Egypt, Jordan, Lebanon, Morocco and the United Arab Emirates to investigate the matter.

45. At its 224th meeting, the Committee's attention was drawn to a number of German press articles reporting on Iraq's weapons programme. In one of the articles the New Delhi-based NEC Limited was reported to have acted as a buyer for the Al Mamoun fuel-manufacturing plant in Iraq, thereby allegedly being involved in the trans-shipment of embargoed materials. Discussions on the matter remain inconclusive.

46. On 6 November 2001, the Multinational Interception Force (MIF) Coordinator Vice-Admiral Charles Moore updated members at the 225th meeting of the Committee on MIF activities in the Persian Gulf since his last report to the Committee, in March 2000. While noting a substantial decrease in Iraqi oil smuggling through Iranian waters, Vice-Admiral Moore stressed that activities continued in smuggling oil to destinations in India, the United Arab Emirates, Yemen and the Horn of Africa, as did the unauthorized use of passenger ferries by certain States to carry cargo to and from Iraq. The Committee expressed its desire to hear further briefings from the MIF.

47. On 6 November 2001 the Committee considered a letter from the Captain of the turbine tanker *Essex*, transmitted by the Executive Director of the Office of the Iraq Programme, which stated that a large quantity

of Iraqi crude oil had recently been exported outside the framework of the United Nations humanitarian programme. The Committee heard a briefing from a representative of Saybolt regarding this matter. Members were in agreement that the Committee should take appropriate action to prevent such violations from happening again.

48. On the above issue, the Committee agreed: (a) that the Office of the Iraq Programme should come up with a detailed action plan containing recommendations aimed at improving the monitoring of oil loading at the oil pumping stations; (b) to address letters to all States whose companies had been involved in the incident (the Bahamas, France, the Netherlands, Venezuela, the United Kingdom and the United States); and (c) that the oil overseers should forward to the Committee for review contracts of the oil companies implicated in the incidents. On 9 November, the Mission of France notified the Committee Chairman that it planned to withdraw Ibex Energy from the list of companies that could make approved national oil purchases until French authorities completed investigations of its activities, particularly its alleged involvement in the *Essex* case. At the 227th meeting, on 3 December 2001, the Committee considered and subsequently approved an Office of the Iraq Programme proposal for additional operating procedures for crude oil monitoring at the Mina al-Bakr facility in Iraq.

F. Other matters

Passenger shipping services

49. The Committee considered a number of requests from Gulf States to open marine service lines to Iraq. At its 212th meeting, on 18 January 2001, the Committee addressed a request, submitted by Qatar, to open a shipping service between the ports of Doha and Umm Qasr to transport passengers and cargo. At the 220th meeting, on 14 June 2001, the Committee addressed additional communications from Bahrain and Oman, requesting the Committee's approval for maritime transportation of passengers to Iraq. The issue was taken up again at the 223rd meeting, on 10 September 2001, and at the 228th meeting, on 19 December 2001, with further information and assurances from the applicant States. Though most members of the Committee indicated that they would be positively inclined to approve the ferry services, provided that effective controls to prevent the transport of prohibited commodities could be developed, the Committee has been unable to reach consensus on these issues.

Aerial pesticide campaign

50. At its 212th meeting, on 18 January 2001, the Committee approved in principle, as had been the practice in the past, a request from FAO to undertake aerial spraying of mosquito larvae over affected areas in Iraq to control Rift Valley fever.

51. In this connection, at its 216th meeting, on 5 April 2001, the Committee also considered a letter from FAO concerning a request from Iraq to use its own pilots for aerial spraying activities in the Iraqi airspace north of the 36th parallel and south of the 33rd parallel. In this connection, at the 217th meeting, on 25 April 2001, a representative of FAO briefed the Committee. At the 218th meeting, on 30 April 2001, the FAO representative briefed the Committee again on the latest developments with regard to Iraq's request. The Committee was informed that Iraqi authorities would not accept having a representative of FAO aboard the flights. At its 219th meeting, on 3 May 2001, the Committee agreed to send a letter to the Iraqi authorities indicating the Committee's willingness to consider the Iraqi proposal positively on the condition that Iraq would allow FAO observers on board the helicopters used for the operation. In its reply to the Committee dated 10 July 2001, the Iraqi Government refused to accept the Committee's condition, noting that there was no guarantee of safety for FAO representatives aboard the flights in question due to the poor technical condition of the helicopters.

Article 50 of the Charter

52. At its 215th meeting, on 19 March 2001, the Committee discussed how to proceed with the communications from Belarus and India concerning the application of Article 50 of the United Nations Charter. In this connection, at the 223rd meeting, on 10 September 2001, the Committee was briefed by the Secretariat on the history of the application of Article 50 and the past practice of the Committee in this regard. At its 224th meeting, on 9 October 2001, the Committee agreed to send letters, with attached questions on matters for which clarifications were sought, inviting representatives of Belarus and India to present their cases to the Committee.

53. In his briefing of the Committee at its 227th meeting, on 3 December 2001, the Additional Secretary of the Ministry of External Relations of India stated that India estimated to have lost $25 billion to $30 billion as a result of United Nations sanctions against Iraq. He suggested that India be compensated through an India-Iraq "wheat for oil" programme, given India's surplus production of wheat. The Committee decided that the Committee would continue to discuss the issue in informal consultations. The Committee has since received two more communications from India on the subject. The matter remains on the Committee's agenda.

Approval of new projects and the transfer of used equipment to Iraq

54. With respect to a memorandum from the International Atomic Energy Agency requesting approval for seven technical cooperation projects in Iraq, the Committee, at its 217th meeting, on 25 April 2001, decided to clear the request along the same lines as it had done in the past.

55. At the 213th meeting, on 26 February 2001, the Committee agreed to send a letter endorsing the International Civil Aviation Organization's intention to initiate contacts with Iraq as part of the Universal Safety Oversight Audit Programme.

56. At its 216th meeting, on 5 April 2001, the Committee considered a request from the Department of Economic and Social Affairs concerning the transfer to Iraq of equipment and spare parts used for the implementation of United Nations Development Programme projects. The Committee agreed, in principle, to the Department's request but at the same time requested further information on the items concerned.

57. At its 224th meeting, on 9 October 2001, the Committee considered another communication from the Department of Economic and Social Affairs, informing the Committee about a pilot project for the General Federation of Iraqi Women (GFIW) and expressing support for a UNDP request that, as the project assistance was ending, the non-expendable equipment purchased by the project be allowed to be transferred to GFIW. The Committee raised no objection to the action proposed in the communication, provided that the United Nations Monitoring, Verification and Inspection Commission would first clear the items.

Other issues

58. At its 212th meeting, on 18 January 2001, the Committee considered a communication from Saudi Arabia requesting the opening of a border crossing to allow humanitarian goods to pass from Saudi Arabia into Iraq. The Committee decided to seek further clarification from Saudi Arabia and to ascertain Iraq's position on the matter. At the same time, it was suggested that the request be transmitted to the Secretary-General for his consideration, in accordance with paragraph 26 of the memorandum of understanding.

59. During the period covered by the present report, the Committee considered, at its 215th through 217th meetings, requests from Tunisia and Jordan to transfer Iraqi civilian aircraft held in their territories since the Gulf War. No agreement was reached in the Committee.

60. At the 224th meeting, held on 9 October 2001, the Committee discussed a letter from Kuwait conveying a request from the regional Organization for the Protection of the Marine Environment seeking approval to clean up the polluted waters of the Arabian Gulf and to prevent oil leakage from sunken Iraqi ships. After weighing the importance of the issue and obtaining further information from Kuwait on the matter, the Committee gave the green light to the project at its 226th meeting, on 8 November 2001.

III. Conclusions and observations

61. During the reporting period, the volume of the Committee's work continued to increase, as it deals with a wide range of issues of a complex and diverse nature. The Committee will continue its efforts to address the humanitarian situation in Iraq and other related issues within the framework of relevant Security Council resolutions.

62. The Committee has devoted much time and effort to overcoming difficulties arising from the implementation of the oil-for-food programme. It will continue to do so and to work closely with the Office of the Iraq Programme and all parties concerned to ensure the effective implementation of the

arrangements set out in paragraphs 1, 2, 6, 8, 9 and 10 of resolution 986 (1995).

63. As in the past, the Committee wishes to reiterate its appreciation for the consistent support and cooperation it has received from Member States, international organizations and the United Nations Secretariat in carrying out the tasks entrusted to it by the Security Council.